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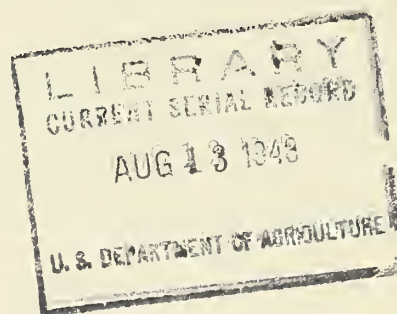
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MARKETING ACTIVITIES



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There are two ways of increasing the farmer's income from his products. One is to pass back to him a larger share of the consumer's dollar spent for food and farm products. The other is to increase the consumer's demand for food and farm products--through better merchandising. This article, by the director of PMA's Marketing Research Branch, is based on a speech given by him before the Northeastern Vegetable and Potato Council, at New York, N. Y., March 13, 1948.

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By F. L. Thomsen

From the farmer's viewpoint, there are only two ways of increasing returns from the sale of his products through better marketing. One is to persuade the consumer to spend a larger proportion of his income for products of agricultural origin. That means, essentially, increasing the consumer demand for these commodities, and that in turn means a better job of merchandising. All of these merchandising efforts center on the retail store, where the farmer meets his real customer, the final consumer.

Everything we may do to improve quality, grading, packaging, processing, and sales promotion can help to expand consumer demand only as it affects the actions of consumers buying at retail. Good retailing cannot entirely make up for poor merchandising farther back in the marketing system. But poor retailing can undo the results of almost any kind of good merchandising in the rest of the marketing system. Unfortunately, ineffective retail merchandising has done just that far too often in the past.

A good example of this is seen in frozen foods. The processing, packaging, and wholesale merchandising of frozen foods, although by no means perfect, has been far in advance of retailing practices. The frozen foods industry will never get very far until retailing facilities for handling frozen foods are much more adequate, and until a much better job of retail merchandising is done.

The Second Way

The only other way of increasing returns to farmers is by passing back to them a larger share of the consumer's dollar. On that question let's look at the record.

In 1939, the last "normal" prewar year for which data are available, the farmer got about 35 cents out of the consumer's dollar paid for fresh fruits and vegetables. This was an average for the United States of all kinds of fresh produce. (This figure had gone up to 46 cents by November 1947, but we do not have any recent data on the division of total marketing costs among the different marketing functions.) In 1939, retailing costs represented 47 percent of the total marketing charges between the farmer and the consumer. Intermarket transportation, the next largest item of marketing costs, accounted for only 29 percent. This shows the importance of retailing in any consideration of the possibilities of reducing marketing costs for fresh fruits and vegetables. Retailing occupies a similarly important position for processed fruits and vegetables.

In the past, in their thinking about this problem of marketing costs, farmers, farm organizations, and others interested in marketing research and extension have tended to center their attention on the farm

end of the marketing system, or on the wholesale markets. No doubt some country buyers and dealers in the city wholesale markets have been guilty of the various inefficiencies and misdemeanors of which they have been generally suspected. Studies have shown, for example, that costs of wholesaling fruits and vegetables could be reduced at least 20 percent by adopting more efficient city marketing facilities. But retailing still represents the big item in marketing costs, and probably offers the best opportunity for substantial further reductions.

Economies Needed in Retail Operating Costs

Now I am not suggesting that retailers are getting rich handling fruits and vegetables, or that they should be expected arbitrarily to reduce their margins on these products. The only way we can get any worthwhile reduction in retail margins is to effect economies in retail operating costs. This means the reduction of labor costs, waste, and risk, which are important factors affecting costs.

There have been many improvements in retailing fruits and vegetables in recent years. Costs and margins have been substantially reduced, on the average, and merchandising practices have been vastly improved. This has been reflected in the expansion of sales of fresh fruits and vegetables. But more remains to be done. This improvement can come only as a result of discovering new and better ways of retail merchandising, and then facilitating the adoption of these methods through educational programs. In this connection, we should keep constantly in mind that independent retailers account for considerably more than half of the total retail sales of produce.

What are some of the developments in the retailing of fruits and vegetables that may be in store for us? I run across many businessmen engaged in food retailing, and others interested in the subject, who seem to think that in the modern supermarket we have just about reached the ultimate in retailing. That is only natural. There is a tendency in making any forecast to predict a continuance of the existing situation. Any business forecaster knows that. But a better basis for forecasting the future is to take a look at the past.

Only a hundred years or so ago, nearly all of the food sold in the local market or store came from the farms near by. There were no canned goods, no fresh produce in the winter, no fresh meat in the summer, no sliced bread or bottled milk, few packaged goods. Refrigeration, refrigerator cars, and practically all of the containers and facilities so essential to modern food retailing were developed within the memory of the oldest inhabitants now living. Self-service, mass merchandising, and many of the other important features of the modern supermarket are so new that they could almost be called experimental. It seems only a few years ago that most chain stores had no produce counters.

In the face of this record of dynamic change in food retailing, can we expect conditions to remain as they are? Certainly not. What we have seen of new and improved retailing methods is only the beginning.

We can hasten the coming of these improvements by keeping an open mind, and by getting into the running early enough to finish in the money. The rider who is just rounding into the stretch when the winners cross the line will never do any good in this race.

And we may not be able to pick the winners in advance, but we can surely pick some of the losers. They are the people in the fruit and vegetable business who still think in terms of prewar conditions and methods of retail merchandising.

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TRIGG SUCCEEDS GILMER AS PMA ADMINISTRATOR AND CCC PRESIDENT

Appointment of Ralph S. Trigg as administrator of the Production and Marketing Administration and president of the Commodity Credit Corporation, succeeding Jesse B. Gilmer, who resigned to engage in business activities outside the Government, was announced April 15 by Secretary of Agriculture Clinton P. Anderson. Trigg's appointment was effective immediately, but Gilmer intended to stay with the Department for about a month to assist in the transfer of administrative responsibilities.

In a letter accepting Gilmer's resignation, Secretary Anderson said that he did so "with great reluctance." The Secretary said further: "You leave with my staunchest good wishes and you will carry with you my assurance that you have done your job, that your honesty of purpose and action has been always above question, and that in the tremendous responsibilities imposed upon you your Government has profited by having you as its servant."

Gilmer has served the Department of Agriculture in various capacities since 1934. After a period as deputy administrator of the Production and Marketing Administration, he was appointed acting administrator of that agency in November 1946, and administrator in February 1947. He held this position until his resignation, at the same time serving as president of the Commodity Credit Corporation and as a member of the board of directors of the Federal Crop Insurance Corporation.

Trigg succeeds Gilmer in all these positions. He had been deputy administrator of PMA and vice-president of the Commodity Credit Corporation. Before coming to USDA in January 1946 as assistant to the Secretary of Agriculture, Trigg had served in the Navy for 3 1/2 years, leaving with the rank of lieutenant commander.

A native of Texas, Trigg graduated from the University of New Mexico in 1934. Successively, he became State auditor of the New Mexico Relief Administration, assistant director of the New Mexico Unemployment Commission, chairman of the merit system of New Mexico, and a consultant with the Public Administration Service of Chicago. He was appointed assistant administrator of PMA in June 1946, and deputy administrator in February 1947 when Gilmer took office as PMA administrator.

Government Handling of Export Grain

By Leroy K. Smith

During the war the Federal Government handled the distribution of grain and grain products to lend-lease countries and to our armed forces abroad. Since the war ended, numerous efforts have been made to enable the private trade to take over this export activity. And some headway has been made in that direction.

For example, in the 11-month period ending May 31, 1946, it is expected that the private trade will have handled about 27 percent of the grain and grain products scheduled for export. Furthermore, in the purchasing and handling of grain and grain products for export, the Federal Government makes as much use as possible of commercial facilities.

But the complete transfer to the private trade of the purchasing and handling of export grain has had to be postponed for two reasons: (1) Food shortages continued in Europe and Asia, and the export volume, held back by limited transportation and export facilities, needed expediting; and (2) our domestic consumers and economy needed protection from any excessive drain on our supplies.

For the 11-month period ending May 31, 1948, PMA had programmed the exportation of 521.9 million bushels of U. S. grain and grain products. Of this quantity 379.8 million bushels are to be supplied from stocks that CCC has acquired largely through commercial agencies, and 142.1 million bushels are to be supplied to foreign claimants direct by the commercial trade.

The following tabulation shows the major kinds of grain and grain products programmed for the 11-month period and how much of the total was handled by CCC and by commercial agencies:

	<u>CCC</u>	<u>Commercial</u>	<u>Total</u>
	(Millions of bushels, grain equivalent)		
Wheat	267.6	12.0	279.6
Wheat flour	72.6	80.3	152.9
Other grains	39.6	49.8	89.4
	<u>379.8</u>	<u>142.1</u>	<u>521.9</u>

Of the 379.8 million bushels supplied from CCC stocks during the period, 327.2 million bushels (about 86 percent) are for countries receiving U. S. food relief during a part or all of the year, and for areas occupied by U. S. military forces. Only 52.6 million bushels (about 14 percent) of the total quantity obtained from CCC are for governments currently paying cash.

In the following tabulation, the 379.8-million-bushel figure is broken down to show the division among receiving countries and areas:

	Food relief <u>areas</u> (Millions of	Occupied <u>areas</u> bushels,	Cash-paying <u>governments</u> grain equivalent)	<u>Total</u>
Wheat	96.8	118.2	52.6	267.6
Wheat flour	32.2	40.4	-	72.6
Other grains and products	<u>3.6</u>	<u>36.0</u>	<u>-</u>	<u>39.6</u>
	132.6	194.6	52.6	379.8

Under the export program, PMA and CCC do four kinds of work. They purchase grain or grain products from private commercial interests against over-all allocations. They move these commodities from interior elevators or storage points to ports. They make contractual arrangements with foreign claimants or the exporting agency for the sale of the commodities. And they make arrangements for the prompt loading of vessels chartered by the Army or by foreign claimants from the large supplies held at port.

Big factors in the success of the export program this year have been (1) coordination of transportation and (2) getting enough boxcars to move wheat to seaboard on schedule.

Such work was particularly important early in the 1947-48 crop year in the Southwest, where the crop was the greatest on record. Wheat for which there was no commercial or farm storage had to be moved promptly out of the area. Boxcars had to be kept in the area so the crop could be moved to elevators and terminals, and large quantities had to be shipped to Gulf ports for export before the harvest--and the boxcars--moved north. Finally, Gulf elevators had to be kept "fluid"--by maximizing exports during the period when large exports were essential, particularly to the Occupied Zones. These three objectives called for highly coordinated effort.

Grain Not Earmarked for Claimant

Under the program as conducted, PMA grain is not earmarked for any claimant. If a vessel fails to arrive on schedule, another is soon loaded instead. By controlling all the export wheat and keeping in touch with all claimants, PMA was able to shift vessels to fill vacancies in one port and reduce overcrowding in others. The Government was in a position to maintain a maximum pipeline flow of grain from interior points to ports--sufficiently controlled to avoid port congestion--and to redirect supplies to meet emergencies.

During the period in question wheat was moved rapidly to the Gulf and vessels were loaded at a record rate of 18.7 million bushels a month, in July; 20.2 million bushels in August; and 13.9 million bushels in September. During the 12 months preceding, the largest total loaded in any month was only 12.2 million bushels. The heavy loadings were possible because PMA adopted a temporary policy of "pre-shipping" against future allocations, and arranged for shipping both the regular allocations and the pre-shipments on a tightly knit schedule under which boats in a constant procession were loaded at all available ports.

Besides moving enormous supplies of wheat to the Gulf for export, USDA moved winter wheat from Kansas City and Omaha to Great Lakes ports and loaded the wheat on boats for lower lake ports. (This was supplemental to the heavy, later shipment of spring wheat down the lakes.) This activity kept cars in the grain belt, effectuated savings in rail transportation, and helped to move a much greater total volume of wheat during the critical months.

During the calendar years 1946 and 1947, PMA handled the following quantities of wheat grain exported from Gulf and east and west coast ports:

	<u>Gulf 1/</u>	<u>East coast 2/</u> (Bushels)	<u>West coast 3/</u>	<u>Total</u>
Jan.-Dec. 1946:	97,248,183	85,206,320	29,788,992	212,243,495
Jan.-Dec. 1947:	<u>134,818,849</u>	<u>69,327,957</u>	<u>46,535,680</u>	<u>250,682,486</u>
	232,067,032	154,534,277	76,324,672	462,925,981

1/ Galveston, Port Arthur, Houston, Texas City (until fire), New Orleans, Mobile, and Gulfport.

2/ Portland, Boston, Albany, New York, Philadelphia, Baltimore, and Norfolk.

3/ Puget Sound and Columbia River.

CCC-purchased grain was sold to claimants at actual cost f. o. b. ship. Through careful buying, CCC has delivered grain to claimants at or below current market prices at the time of lifting, with no loss to the Government.

For example, during 7 of the first 8 months of the fiscal year ended last June 30, wheat was exported from Gulf ports at prices lower than the average monthly Kansas City cash price plus transportation and administrative costs. On a weighted 8 months average, CCC invoices were lower than the adjusted cash prices by about 10 cents a bushel.

Prospect for 1948-49

During the current year, the movement of grain and grain products to food relief and occupied areas was approximately 63 percent of the total grain movement. The proportion so moving in 1948-49 will probably run even greater--between 65 and 70 percent.

The reason for this prospect is the progressive deterioration in purchasing power of the countries which have been able heretofore to buy grain out of their own monetary resources. The need for coordination of available transportation facilities will continue. Having enough boxcars will continue to be a problem in 1948-49. Shuttle train service to many ports will save boxcar days, the Government will get priority orders or arrange informally to move boxcars to critical areas, and lake movement and port facilities will be put to efficient use.

The fact that serious fats and oils shortages existed during and after the war and that the over-all production of oilseed crops has more than doubled during the last decade are big reasons why research on oilseed crops is being stepped up and expanded under the Research and Marketing Act. The Production and Marketing Administration is one of several agencies that are conducting oilseeds research under this act.

The object of one study is to learn the effects of new oilseed processing techniques on the fats and oils industry, market outlets, and growers' returns. An important part will be a comparison of the merits of solvent extraction methods with mechanical methods. PMA's Fats and Oils Branch will conduct the study.

It has been common practice to market oilseed crops at harvesttime rather than throughout the year. This practice tends to lower the price to producers, creates transportation and storage problems, and causes wide fluctuations in the prices of raw materials to manufacturers and of finished products to consumers. As steps toward solving these problems, the Fats and Oils Branch will also make a study to determine (1) the storage capacity, handling facilities, and drying equipment available to farmers for oilseeds on farms, at country elevators or local markets, and at terminal markets, and the cost of storing at those places; (2) the feasibility and cost of installing and using improved handling and drying equipment; and (3) the advantages and disadvantages to farmers of storing oilseeds on the farm and selling them throughout the marketing year, as compared with selling the whole crop at harvesttime.

At present, methods for determining the oil content of oilseeds are too expensive to apply to small amounts of seed. Consequently farmers who sell oilseed in small quantities do so without regard to oil content and often have no incentive to grow the higher oil-producing varieties or to handle oilseed in a way that will prevent quality deterioration. To help remedy this situation, a project is aimed at providing a simple and accurate way to determine the quantity and quality of oil and other products in oilseeds; to improve existing standards and methods of grading oilseeds and oilseed products; and to relate standards for oilseed grading to the quantities, grades, and value of products obtained from the seed. The various phases of this study will be conducted by the Cotton, the Grain, and the Fats and Oils Branches, respectively, of PMA.

In another study, peanut producers, millers, and end users are being consulted to get a cross section of advice on what standards to adopt for farmers' stock peanuts, shelled and cleaned peanuts, and unshelled peanuts. PMA's Fruit and Vegetable Branch is conducting, in cooperation with Federal and State agencies.

Another project is intended to determine the most efficient procedures and practices in the processing, marketing, distribution, and new uses of cottonseed products. Producers, shippers, wholesalers, and retailers will be assisted in selecting and adopting more efficient operating methods. PMA's Fats and Oils Branch will conduct the project.

Standards and Inspection Service For Processed Fruits and Vegetables

By Fitzhugh L. Southerland

During the last 3 years the fruit and vegetable industry has shown more interest in the packing of better-quality merchandise than during any previous 10-year period. Several reasons have prompted this interest. The production of processed fruits and vegetables has reached extremely high levels. Often quality has been sacrificed for volume. To keep production high, and to back it up with high consumption, a good many people advocate the packing of a more uniform product of better quality. And these people are also interested in standards for grades, and the inspection and certification of products as to quality.

The U. S. Department of Agriculture has issued 96 U. S. standards for grades of processed fruits and vegetables during the last 18 years. These standards describe the various important factors that affect the relative desirability of the product. They cover inherent characteristics of the product. They reflect the workmanship of the preparation of the raw materials used and the process of manufacture. Each grade in each standard is carefully described and in most of them a point score system is provided that indicates where the product ranks within a grade. These standards generally provide for four grades--A, B, C, and Substandard--to correspond with the trade terms Fancy, Choice or Extra-Standard, Standard, and Substandard.

The Standards for citrus juices and for most of the frozen vegetables provide for only three grades--A, C, and Substandard and A, B, and Substandard respectively. There appears to be a missing link here. It is the result of following industry practice. Canned grapefruit juice, for example, has always been sold as either Fancy or Standard. It would be useless to establish a B grade in the A...C...Substandard series or a C grade in the A...B...Substandard series unless packers and buyers were willing to trade on that basis.

How Standards Are Developed

How are U. S. standards developed or revised? In general, the procedure is about as follows. First, the need for a particular standard, or a revision of an existing one, is determined. This determination is based on how much interest is shown by members of industry. After the need is determined, all the available information bearing on the commodity is rounded up and studied. Varietal differences are also studied, along with production and harvesting methods, the preparation of raw materials, and the ways of processing, packaging, and distributing the product. The important factors that make up quality are analyzed, consolidated, and studied. The different quality ranks are carefully worked out and described. Procedures and practical methods for measuring the quality factors are developed for incorporating into the standard.

Then the standard is drafted in tentative form and discussed fully with industry groups and as many individual members of the industry as is feasible. The standard is then redrafted in the light of the various points of view, and published in the Federal Register. This publicity gives to all those interested the opportunity of making further suggestions. After the publication, members of the public at large usually have about 30 days in which to submit their views. Full consideration is given to all the criticisms, suggestions, and recommendations received. After they all have been considered, the standard is drafted in final form and published in the Federal Register to become effective at the end of a specified number of days.

In the last year, the Department has issued four new U. S. standards for grades of processed fruits and vegetables and has completed the revision of three existing U. S. standards. Of these, the standards for grades of canned green and wax beans were revised to conform to the standard of identity established by the Food and Drug Administration. As a result of a hearing recently reopened by FDA, further changes in the Food and Drug standard of identity may necessitate another revision of the U. S. standards for grades of canned green and wax beans to conform to changes that FDA may establish.

Data are being collected for use in revising present standards for frozen raspberries, and studies for revising the present standards for frozen strawberries have been completed. Research done with these studies indicates that grades for manufacturing are needed to take care of the huge volume of bulk packs that normally go into the manufacture of preserves, ice cream, and bakery products. Consequently, grades for manufacturing will be incorporated into these two standards when they are revised.

Plans for the Next Year

During the next year, issuance is expected of standards for frozen pineapples and revisions of the standards for cucumber pickles, canned black-eyed peas, beets, spinach, and canned and frozen asparagus. The Department plans to concentrate on improving the standards now in effect rather than on standards for additional products. Through research, USDA expects to develop additional objective methods for measuring quality factors and to develop and employ additional visual aids to the uniformity of size and shape. Studies also in progress look to the forming of a basis on which recommendations can be made for guides in the U. S. standards for drained weights of frozen vegetables, and the proper fill of containers for frozen fruits.

U. S. standards serve several purposes. They can help the packer improve his product by using them in quality control programs. One great problem confronting a packer is to maintain uniform quality--that is, to keep substantially the same quality of product in each can and each package of frozen products in a specific lot of merchandise. Such standards can help the packer classify his products and help command for him the price that their quality and the market conditions entitle him to re-

ceive. They can aid the processor and distributor in buying and selling. They can aid in determining the loan values of the products and they serve as the basis of official inspection and certification by the Government inspection service.

The standards thus far discussed are for voluntary use. They should not be confused with the mandatory standards of identity and standards of quality established by the Food and Drug Administration. Let's look at some of the chief differences between FDA's standards of identity and standards of quality, on the one hand, and USDA's quality standards for processed fruits and vegetables on the other. FDA's mandatory standards of identity define the product and govern the ingredients it may contain. These standards have been established for several canned fruits and fruit products and for most canned vegetables and several vegetable products. Any products shipped in interstate commerce which fail to meet FDA's standard of quality for the product must be labeled or marked in a prescribed manner to indicate that the product is below standard in quality. There are at present only five canned fruits and three canned vegetables for which quality standards have been established by FDA--canned peaches, apricots, pears, cherries, fruit cocktail, and tomatoes, peas, and canned green and wax beans.

When the Food and Drug Administration establishes a standard of quality for a product, USDA then bases its lowest grade above substandard for that product on the standard set by FDA. Quality above that minimum is generally divided into grade C or Standard, Grade B or Extra Standard or Choice, and Grade A or Fancy, depending on the product and trade practices. With a few exceptions, the minimum quality of U. S. grade C or U. S. Standard is equivalent to the FDA minimum standard of quality for those products on which it has established such standards. A full familiarity by processors with the standards established by the two agencies may help them to avoid legal difficulties and to improve the quality of their products.

Types of Inspection

Efficient and economic distribution can be accomplished only after systematic and adequate inspection at the source and by means of an efficient and economic system of storage and distribution of the product to the ultimate consumer. The inspection service which has been made available to industry can aid in such a program. The Department has 30 inspection laboratories. They are located in all major producing areas throughout the country and conduct three distinct types or methods of service. The more general type consists of making periodic trips to the processor's plant warehouse, drawing representative samples from specific lots or from the entire pack on which inspection is requested, examining the samples, and issuing an official document known as a certificate which indicates the results of the inspection. The certificate will show the quality rank of the product and other descriptive information about the product.

The second type of inspection is called plant inspection-pack grading. An inspector is assigned to the plant for the entire packing sea-

son of a particular commodity (or commodities). The inspector checks plant sanitation conditions, observes the preparation of the raw materials, examines samples during and after the packing operation, and issues to the processor on each lot packed a certificate showing the inspection results.

The third type of inspection is called continuous inspection. This service provides for stationing an inspector, or as many inspectors as are necessary, during all shifts of the entire packing operations. The service is available to processors who agree to keep their plant-sanitation standards high and to try hard to pack uniform, good-quality merchandise. The physical properties of the plant and its equipment must be suitable for packing a good product before this service is granted. The inspector observes the preparation of the raw materials, processing procedures, and plant cleanliness. These factors are fundamental to processing a good-quality product. The inspector also draws samples, examines the finished product, and issues certificates to indicate its quality. Processors who utilize this type of service may, if they wish, identify their products as having been packed under the continuous inspection of the U. S. Department of Agriculture and may use U. S. grade statements on their labels.

The inspection service is financed through fees paid by those who use it. The service has been made available in the various States through cooperative agreements between USDA and the various State departments of agriculture, the State extension services, or trade associations in the States.

USDA DISCONTINUES PROCUREMENT OF SOME COM- MODITIES FOR FOREIGN RELIEF SUPPLY PROGRAMS

The U. S. Department of Agriculture announced April 1 that it would no longer purchase certain commodities for Government foreign relief supply programs. In line with the recommendation of the Procurement Planning Subcommittee of the Cabinet Committee on World Food Programs, these commodities will be procured by the Department of the Army.

The commodities for which the Army will have all procurement responsibility, both domestic and offshore, are: Pulses (dried peas and beans), whale oil, copra, fish, processed cereals, soybeans and soya flour, and lard and lard substitutes. In addition, the Army is responsible for bread grains and flour and coarse grains. purchased from offshore areas and local procurement in occupied areas.

Other major commodity groups in foreign relief supply programs, and all commodities procured under price-support operations, will be bought entirely by the Department of Agriculture. The concentration of individual commodity purchasing in single agencies is intended to avoid duplication and to increase the efficiency of Government procurement operations.

A recent report on poultry projects that are being conducted under the Research and Marketing Act includes a number that are being carried on by the Production and Marketing Administration.

One project is aimed at bringing about a reduction in egg losses during handling, processing, packing, transporting, and warehousing. About 2 billion eggs, or 5 percent of the annual production, become inedible or broken in transit from producer to consumer. These losses, plus heavy losses in quality, cost producers and consumers millions of dollars a year. Research includes study of the losses and where they occur, and construction of cartons and cases that protect eggs better. Handlers, warehousemen, and common carriers are cooperating in the work.

Under another marketing project, not limited to any one region, improvement is sought in egg-processing practices and facilities. Wartime expansion in egg production and marketing has resulted in a need for methods of grading, processing, breaking, freezing, and drying that will utilize labor and equipment more efficiently and still retain quality. Headquarters will be in Washington, D. C., but a mobile laboratory equipped with chemical, bacteriological, and physical testing equipment will do field work in egg-producing areas. Cooperating processing plants also will be used as laboratories for developing and testing new techniques, equipment, and plant layouts. The project will be directed by PMA's Poultry Branch, but other Federal and State agencies, equipment manufacturers, handlers, processors, warehousemen, and trade associations will cooperate.

The Marketing Facilities Branch is working on more efficient marketing facilities as a means of reducing food costs. Physical handling is the largest item of expense in the marketing of foods and farm commodities. This expense is often unnecessarily high because of inadequate and antiquated facilities and methods, especially in city markets, and many producing areas have poor assembling facilities or none at all.

The Marketing Research Branch is reviewing grades and standards for farm produce to see if they meet the needs of producers, processors, distributors, and consumers. Modifications that should be made in terminology, specifications, and interpretation to increase the usefulness of grades and standards will be recommended.

Under Title II of the Research and Marketing Act a number of cross-commodity studies affecting poultry and poultry products are being conducted. Under one that is being conducted by PMA, improvement in wholesale market news services is sought through the making of such changes in content, presentation, and commodities and markets covered as will enable producers, marketing agencies, and consumers to determine supply and demand conditions. More publicity is sought for abundant supplies, particularly of perishable commodities having seasonal surpluses, such as poultry and eggs.

Cotton.--All 1947-crop loan cotton (including American-Egyptian) that is still under loan on August 1, 1948, will be pooled on that date by the Commodity Credit Corporation for producers' accounts. The loans mature July 31, 1948. On March 26, loans were outstanding on 169,196 bales of 1947-crop cotton from the 268,883 bales placed under loans to that date.

Dairy Products.--Intention to purchase 150,000 cases of export-packed evaporated milk for delivery as soon as possible was announced by USDA on April 9. First offers were to be received not later than April 13, and would continue to be received not later than Tuesday of each week until the purchase was completed.

Fruits and Vegetables.--A public hearing on a proposed marketing agreement and order for Irish potatoes has been requested by the Maine potato industry. The hearing will be held on April 26. The proposed agreement and order would be administered by a committee of five Maine potato growers and three Maine potato handlers. This committee may recommend for approval by the Secretary of Agriculture the regulation by grade, size, and quality of shipments of any or all varieties of potatoes grown in Maine, and such regulation may be made applicable to wholesale packs, retail packs, or to any other shipping unit.... On April 9, USDA announced issuance of a marketing order and completion of a marketing agreement regulating the handling of Irish potatoes grown in the eastern South Dakota production area.... On April 12, USDA recommended adoption, subject to grower approval, of a proposed marketing agreement and order program for the handling of Irish potatoes produced in 6 counties in Virginia and 41 counties in North Carolina.... A public hearing on a proposed marketing agreement and order to regulate the handling of California dates has been scheduled for April 22 at Coachella, Calif. The hearing was requested by the Date Industry Committee, a committee of California date growers.... A hearing on proposed amendments to the marketing agreement and order regulating the handling of fresh Bartlett pears, plums, and Elberta peaches grown in California was announced by USDA, to be held at Sacramento, Calif., on April 12.... A hearing on proposed amendments to the marketing agreement and order regulating the handling of Tokay grapes grown in California was announced early in April, to be held at Lodi, Calif., on April 15.... USDA has announced that it is recommending the adoption of a proposed marketing agreement and order program for the handling of fresh peaches produced in North Carolina and South Carolina.

Grain and Flour.--The exportable rice available until July 1 from the 1947 crop (less small quantities for existing unfilled allocations and a contingency reserve) has been allocated to Cuba, USDA announced April 9. The allocation is for shipment during the April-June quarter and the quantity available is estimated at about 1.3 million 100-pound bags of milled rice.... The following is from a statement by the Secretary of Agriculture released April 10: "Wheat, flour, and coarse grain export allocations which have been established through May (the first 11 months of this shipping year) total slightly more than the 520-million-

bushel figure which was set early in February as the increased goal for 1947-48 grain exports. The quantities of grain and flour needed to cover these allocations have been purchased. For wheat and flour alone, a total of 433 million bushels has been allocated (through May) and purchased, leaving only 17 million bushels to go to reach the 450-million-bushel figure which was set as the 'wheat and flour' part of the total goal. (Coarse grain allocations now exceed their original 70-million-bushel figure by about 20 million bushels.)"

Naval Stores.--The maturity date and the period for redeeming loans under the 1947 naval stores loan program has been extended to June 1, 1948. The original redemption date was April 1, 1948.

Poultry.--USDA announced early in April that it would end its frozen egg sales program to private exporters on April 13. Plans for the disposal of stocks remaining in USDA hands after that date were to be announced later.

Tobacco.--A referendum on free tobacco inspection and grading is scheduled for April 15-17 at Jasper, Fla., to determine whether growers in that region want grading and inspection services at the Jasper market.... A referendum on free tobacco inspection and grading for the Baltimore, Hughesville, La Plata, Upper Marlboro, and Waldorf, Md., markets, previously scheduled for April 5-7, has been postponed to allow the growers more time for discussion and consideration of the proposed services.... In the 1947-48 season, the second largest crop of flue-cured tobacco ever produced was sold on 81 auction markets in Florida, Georgia, North Carolina, South Carolina, and Virginia. Net warehouse sales totaled 1,304.6 million pounds--37 million less than the all-time high volume marketed in 1946-47. The 1947 crop as a whole returned to growers a general over-all average price of 41.5 cents a pound, for a total of 541 million dollars, compared with a 1946 average of 48.5 cents and a total value of 650 million dollars.... USDA announced in mid-April that it would enter into special indemnity contracts with U. S. tobacco companies for the purpose of encouraging the export of domestic tobacco to Austria. The purchases are being made from domestic leaf dealers on the credit by the Austrian Tobacco Monopoly. The quantity involved, approximately 2 million pounds, is less than the quantity indicated as needed in Austria during the next 3 or 4 months. The contracts will provide indemnification only if the companies are unable to collect from the Monopoly, which is an agency of the Austrian Government. The tobacco involved consists of cigarette, cigar, and fire-cured types.

Wool.--USDA has announced a new schedule of selling prices for all wools acquired by CCC under its price-support programs. The schedule establishes minimum selling prices for certain 1948 wools at appraisal price levels. Selling prices for all other 1948 program wools, and for most wools of earlier programs, remain the same as they were in the sales program of October 1947. Schedule changes apply to greasy, shorn fine, and half-blood wools of average French combing and longer staple from the 1948 clip, which are increased by 7 to 9 cents a pound over such wools acquired under CCC's price-support program in previous years.

ABOUT MARKETING:

The following publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Statement by Secretary of Agriculture Clinton P. Anderson before the Senate Committee on Agriculture and Forestry in regard to S. 2318, "a bill to provide for a coordinated agricultural program." April 12, 1948. 23 pp. (Mimeographed)

The Wholesale Market for Fruits, Vegetables, Poultry, and Eggs in Baton Rouge, La. (PMA in cooperation with the Louisiana Agricultural Experiment Station, the Louisiana State Market Commission, and the Louisiana Agricultural Extension Service) February 1948. 90 pp. (Mimeographed)

Agricultural Conservation Program--Statistical Summary, 1946. (PMA) January 1948. 65 pp. (Multilithed)

Summary of Regional Cold Storage Holdings for 1947 and 1943-47, Average, by Months. (PMA) March 1948. 50 pp. (Mimeographed)

Wheat--Production, Farm Disposition, and Value, by States, 1909-44. (Bureau of Agricultural Economics) March 1948. 23 pp. (Multilithed)

Sweetpotatoes--Production, Farm Disposition, and Value, by States, 1909-45. (Bureau of Agricultural Economics) March 1948. 14 pp. (Multilithed)

Wool Production and Income, 1946-47. (Bureau of Agricultural Economics) March 1948. 2 pp. (Mimeographed)

Shipments of Package Bees in 1947. (Bureau of Agricultural Economics) March 1948. 2 pp. (Mimeographed)

Farm Production, Disposition, and Income from Milk, 1946-47. (Bureau of Agricultural Economics) April 1948. 12 pp. (Multilithed)

Units of Livestock Production: A Measure of Grain Consumption at the National Level. (Bureau of Agricultural Economics) F.M. 63. April 1948. 19 pp. (Mimeographed)

Peanut and Peanut Butter Recipes. (Office for Food and Feed Conservation, with the cooperation of the Bureau of Human Nutrition and Home Economics) AIS-68. March 1948. 16 pp. (Printed)

Money-Saving Main Dishes. (Office for Food and Feed Conservation, with the cooperation of the Bureau of Human Nutrition and Home Economics) AIS-69. April 1948. 48 pp. (Printed)

